

	YoY Chg	12-Mo. Forecast
5.9% Vacancy Rate	▲	▼
756K Net Absorption, SF	▼	▲
\$4.01 Asking Rent, PSF	▼	▲

Overall, Net Asking Rent

**ECONOMIC INDICATORS
Q2 2021**

	YoY Chg	12-Mo. Forecast
579.4K Greenville* Employment	▲	▲
4.5% Greenville* Unemployment Rate	▼	▼
5.9% U.S. Unemployment Rate	▼	▼

Source: BLS

*Includes Greenville and Spartanburg MSAs

ECONOMY: Still Growing

The latest census figures were released in Q2 and South Carolina and the Upstate continued to show amazing growth. The state grew by over 500,000 people from 2010 to 2020, a 10% increase, and the Upstate realized over 100,000 of that number with a 12% increase. As of the end of Q2, the Upstate has still not fully recovered from the top level of employment seen in late 2019. However, it is very close. As unemployment continues to fall and several recent announcements will add need for more workers in the coming quarters.

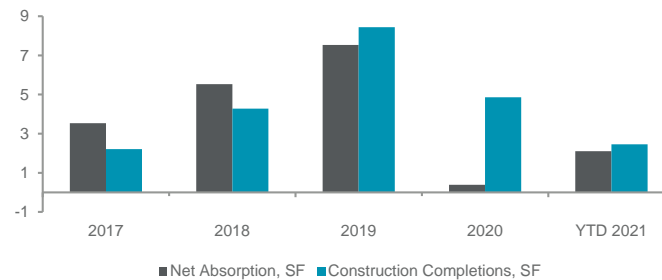
SUPPLY and DEMAND: New Product on the Horizon

Greenville/Spartanburg has seen significant leasing during the first half of the year as we are tracking almost 4 million square feet (msf) in closed leases or sales from January through June. Many of these have been consummated in the new spec product that has been built since the end of 2019, approximately 7.2 msf of total product. As of the end of the quarter, we are tracking less than 3 msf remaining available. Looking forward, there appears to be a new round of development on the horizon with several developers kicking off their next project as well as a few new developers that have come to market. Also, it is worth noting there is a significant amount of land under contract to developers and a couple users totaling close to 1000 acres for new product, mostly speculative, but there are a few built-to-suit projects as well.

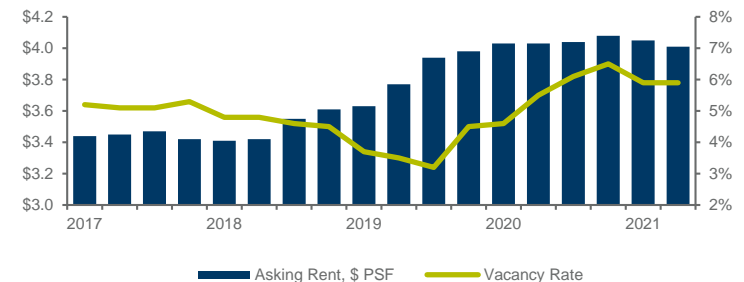
PRICING: What's Next?

We expect to see rental rates rise from where they have been in the past 18 months as land prices and construction costs have risen. We expect this for all asset classes as most of the available product is in the new speculative space. There simply aren't enough Class B and C warehouses available for the volume of users looking in the market. We also expect to see cap rates continue to compress and believe Class A cap rates in the market will hover in the low to mid fours, about 60 to 75 basis points (bp) below 2019 lows.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (FX)	OVERALL WEIGHTED AVG NET RENT (W/D)
Anderson County	26,198,382	681,547	2.6%	46,169	211,205	486,800	289,173	\$4.07	\$4.58	\$3.57
Cherokee County	9,231,204	428,400	4.6%	0	0	0	0	N/A	N/A	\$3.61
Greer	23,942,253	1,849,620	7.7%	560,768	1,973,701	480,070	1,341,060	\$3.56	\$7.43	\$4.80
Hwy 290	10,283,819	1,012,555	9.8%	9,250	-107,528	0	0	\$4.75	\$6.12	\$4.24
Laurens County	13,997,250	571,605	4.1%	-163,463	-44,463	0	0	\$2.00	N/A	\$3.37
N Greenville	22,134,453	697,632	3.2%	166,469	-19,098	107,000	0	\$4.43	\$7.97	\$3.80
E Greenville	11,572,941	785,598	6.8%	142,537	-175,449	0	0	\$5.56	\$7.46	\$4.71
W Greenville	3,603,853	141,727	3.9%	3,648	20,593	11,300	0	\$7.00	\$9.51	\$6.97
S Greenville	37,451,275	2,418,234	6.5%	203,906	833,602	796,280	663,608	\$3.73	\$5.51	\$3.93
N Spartanburg	44,288,490	3,120,242	7.0%	-148,166	-348,787	1,008,400	0	\$3.06	\$4.19	\$4.09
S Spartanburg	17,000,367	520,438	3.1%	-26,850	-42,850	0	0	\$2.75	\$5.14	\$3.31
Pickens County	6,996,609	1,109,007	15.9%	-38,691	-196,821	0	0	N/A	N/A	\$3.23
MARKET TOTALS	226,700,896	13,336,605	5.9%	755,577	2,104,105	2,889,850	2,293,841	\$3.66	\$5.91	\$3.95

*Rental rates reflect weighted net asking \$psf/year

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
789 Flatwood Industrial Drive	N Spartanburg (Upper Spartanburg County)	OshKosh Defense Corporation	901,350	Sublease
545 Brookshire Road	Greer (Route 101 Corridor)	Marleylily	240,000	New Lease
1201 Woods Chapel Road	Greer (Route 101 Corridor)	One World Technologies	192,919	New Lease
189 Milacron Drive	S Greenville (I-385/Simpsonville)	Gissing North America	136,000	New Lease

BRIAN YOUNG, CCIM SIOR

Senior Vice President, Managing Broker

+1 864 370 8087 brian.young@thalhimer.com

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
816 Berry Shoals Drive	Greer (Route 101 Corridor)	McCraney Property Co / Danaher Corporation	201,600	\$24M / \$119.05

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY	OVERALL VACANCY	NNN ASKING RENTS	OVERALL NET ABSORPTION	NEW LEASING ACTIVITY (SF)	COMPLETIONS	UNDER CONSTRUCTION
Q2 2020	222,609,675	5.5%	\$4.03	917,739	2,206,335	2,916,490	4,497,821
Q2 2021	226,700,896	5.9%	\$4.01	755,577	966,410	2,293,841	2,889,850

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